

REMARK E21

REVISION 01/24/2005

REQUIREMENT E21 (FORMERLY GT75T)

THIS SUPPLEMENT ESTABLISHES THE BASIC REQUIREMENTS TO BE OBSERVED BY SELLER IN ESTABLISHING AND MAINTAINING CONTROL OF GENERAL ELECTRIC AND/OR GOVERNMENT OWNED PROPERTY AT SELLER FACILITIES.

DEFINITIONS:

PROPERTY: All property, both real and personal. It includes facilities, material, special tooling, special test equipment, and agency-peculiar property.

SPECIAL TOOLING (ST): Jigs, fixtures(including test), molds, patterns, gages, manufacturing aids and all components of these items which are of such a specialized nature that without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof or the performance of particular services. Non-deliverable mockups are considered special tooling and they must retain their entirety (i.e. the sum of all its parts as a whole).

SPECIAL TEST EQUIPMENT (STE): Single or multipurpose integrated test units engineered, designed, fabricated, or modified to provide specific functions for special purpose testing. Such testing units comprise a combination of electrical, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment that are interconnected and essential in the performance of special purpose testing.

BASIS BUILD COST: The direct cost of the seller to fabricate a unit of Special Tooling (ST) or Special Test Equipment (STE) and does not include design, drafting or engineering costs associated with the unit design.

PROCEDURE:

Property covered by this order shall not be used for other than filling purchaser's orders, disposed of or altered in any way without the written permission of the purchaser. It is to be controlled and maintained in accordance with subpart 45.5 of the Federal Acquisition Regulation (FAR).

The seller shall be directly responsible for all General Electric and/or Government owned property, including any property which may be in the possession of a sub-tier supplier. Consult article eight of the GE Terms and Conditions of Purchase referenced in this purchase order concerning maintenance of and liability for GE/USG property.

IDENTIFICATION:

Applicable property will be identified per the marking requirements set forth in Remark 070 in this order.

INVOICES/PROPERTY LISTS:

Sellers invoice for tooling shall be submitted electronically to GEAE Accounts Payable (CBSI) using the current, approved, GEAE digital process. The certified property list (GT166V) or (GT166EU) shall simultaneously be sent to the purchasers Buyer/CA as identified on the order.

PROPERTY RECORDS:

Records will be prepared by the seller on each piece of GE or GE/USG owned property. Each record will contain the following minimum information:

1. Government contract number or equivalent GE code
2. General Electric Company's purchase order number
3. Property number (different than GE part number produced)
4. Quantity
5. Description (fixture, die, etc.)

6. Drawing number of part produced and program designation
7. Design price
8. Build price
9. Location
10. Breakdown of STE to identify components

In the case of government owned property, purchaser records shall constitute official government property records.

LOSSES AND/OR DAMAGE:

Seller shall immediately notify GE's Property Management Office of any damage to GE or USG owned property by fax (513-243-9252), as soon as the facts are known. All instances of damage shall be confirmed in writing within five (5) days using GE form GT747. Purchaser will review the report and advise seller of further required actions, if any.

When accountable property is declared lost, the seller will submit a completed Lost/Damaged Form GT747 to GE Property Management. GE will review and screen with GE program managers as to obsolescence. GE reserves the right to debit seller's account for the full acquisition cost of all accountable property GE deems required for future use.

Any lost property that is replaced at seller's expense will be titled to the purchaser or the U.S. Government as applicable and marked accordingly.

If any property previously reported as lost is found, seller shall notify GE in writing as soon as possible.

INVENTORY:

Upon request by GE the seller shall perform a physical inventory of accountable property (except materials issued from stock for performance of manufacturing, research, design or other services required by the contract) in his possession or control and shall cause subcontractors to do likewise. The personnel performing physical inventory must not be the same individuals who maintain property records or have custody of the property unless the size of the seller's operation is so small as to make it impracticable to do so.

This inventory will be accomplished and returned to GE within 90 days of notification by GE. Seller will return, upon inventory completion, a complete listing of the inventory and certification under seller's letterhead. All necessary instructions, requirements, and forms will be supplied by GE with its notification.

If a listing of the inventory and certification is not received within 120 days of notification, GE reserves the right to charge seller's account for the full acquisition cost of all the accountable property shown on the detail status report provided with the inventory notification.

Seller agrees to allow purchaser (or its authorized agents) and government representatives (when applicable) to conduct periodic reviews of accountable property and seller's records to ensure proper control of both GE and USG owned items.

PLANT CLEARANCE:

When property cannot be located and is reported as missing to the government representative at the time of the physical inventory of plant clearance property, seller will at that time forward to purchaser a "Lost/Damaged Report"(GT747). Purchaser will review reports and advise seller of further required actions. If the purchaser is notified of the missing property by the government, and a GT747 has not been received, purchaser will notify seller and reserves the right to debit the seller's account for the full acquisition price of the missing property if the GT747 is not received within the following five (5) working days.

OBSOLETE/EXCESS PROPERTY:

When seller determines that property is obsolete, or excess to his needs, or if seller is so requested by purchaser, seller shall complete the Property Disposal Data Form (GT9042). Upon receipt and processing of the completed Property Disposal Data Form (GT9042), purchaser will instruct seller as to disposition actions. If the property is to be transferred to another contract or program, purchaser will advise seller as to the replacement contract or program and purchaser's and seller's records will be changed accordingly.

CAUTION: Purchaser will not reimburse seller for storage of property. Therefore, seller is urged to pursue timely completion and submittal of Property Disposal Data Form (GT9042). If accountable property is disposed of without purchaser's authorization, seller will be liable for the replacement cost.

Losses of accountable property determined by purchaser to be obsolete, will be subject to reimbursement by seller to purchaser at a value to be assessed by purchaser.

MOVEMENT OF ST or STE

Any Government owned or purchaser owned tooling that is identified by the purchaser to be moved from a seller's facility must be identified on a GE Transportation Tooling Purchase Order written against the receiving facility (supplier). Seller shall not proceed to ship tooling to any location other than a GET facility without said Purchase Order being issued. To obtain the Purchase Order number, contact GET purchasing personnel. If purchaser's instructions to move the property to a facility other than a GET location do not include the reference to the PO, seller must contact purchaser to obtain the PO reference prior to initiating the shipment of the property. Transfer of tooling to a GET facility requires only written instructions which must originate from GET Sourcing personnel and may be in the form of a PO non-standard remark or a letter transmittal identifying the shipping instructions.